

**FINAL MEETING SUMMARY**  
**HANFORD ADVISORY BOARD**  
**BUDGET AND CONTRACTS COMMITTEE**  
*January 13, 2004*  
*Richland, WA*

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<i>This is only a summary of issues and actions in this meeting. It may not represent the fullness of ideas discussed or opinions given, and should not be used as a substitute for actual public involvement or public comment on any particular topic unless specifically identified as such.</i>
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**Welcome and Introductions**

Committee Chair Gerry Pollet opened the meeting and welcomed the committee.

Howard Gnann, Department of Energy – Office of River Protection (DOE-ORP) introduced himself to the committee. Howard is the new Deputy Designated Federal Official (DDFO) for the Board.

The November committee summary was adopted with changes from Rich Holten, Department of Energy-Richland Operations Office (DOE-RL), incorporated.

**Department of Energy – Richland Operations Office Baseline Detail**

Jim Kelly, Fluor Hanford (FH), Rich Holten, and John Perkins, FH, discussed the Project Baseline Summaries (PBS) that were not discussed at the November committee meeting.

**PBS RL-0013**

This is the largest of the PBSs discussed; it will include the M-91 renegotiation package when the cost estimate is completed. The M-91 package will likely result in changes to the baseline.

This PBS covers solid waste stabilization and disposition of the 200 Area, including maintaining the facilities to a state where they can continue to be used in operations. The facilities are: the Central Waste Complex (CWC), Waste Receiving and Processing

Facility (WRAP), T Plant, Waste Encapsulation and Storage Facility (WESF), the Liquid Waste Processing Facilities, and the Canister Storage Building (CSB).

CWC stores solid wastes for both onsite and offsite generators. The storage facilities here are used for low-level waste (LLW), transuranic waste (TRU), and mixed low-level waste (MLLW). CWC has a total capacity equivalent to 82,000 55-gallon drums.

WRAP is used to process drums and small boxes of LLW, MLLW, and TRU for permanent disposal. At WRAP, waste is inspected, processed, and repackaged to ensure it meets the acceptance criteria of the appropriate disposal facility.

T Plant provides treatment, verification, and repackaging of contact-handled waste. The headspace gas of the waste drums is sampled and decontamination of equipment occurs here. This facility has future M-91 capability.

WESF will be operated to safely store and monitor cesium chloride and strontium fluoride capsules. The capsules will be removed by 2006 and WESF will be deactivated and transferred for decommissioning and demolition (D & D) by 2008. More than 1/3 of the radioactive inventory of the Hanford site is in the form of Cesium (Cs) and Strontium (Sr) capsules at WESF.

There are several liquid waste facilities that must be operated. These are:

- Treated effluent Disposal Facility (200 TEDF)
- Liquid Effluent Retention Facility (LERF)
- 2025 E Effluent Treatment Facility (ETF)
- 242-A Evaporator (Rich noted that responsibility for the evaporator – along with budget and scope – has transferred from DOE-RL to DOE-ORP.)

This will also include the operation of the 300 Area treated effluent disposal facility and the operation of the canister storage building in Fiscal Year (FY) 2006.

CSB will be operated for legacy Spent Nuclear Fuel (SNF) for the period FY 2006-2009. This will transfer to Waste Management (WM) in 2006 after the last multi-canister overpack (MCO) is received from K Basins and welded shut.

Under PBS RL-0013 several projects will occur:

*Placement of Cs/Sr capsules into dry storage*

The 1,936 Cs and Sr capsules stored at WESF will be moved to dry storage on the Hanford site as an interim measure. This assumes the capsules will eventually be sent to Yucca Mountain for permanent disposal. The dry storage system will have a design life of at least 20 years. The project does not include maintenance/operations of WESF or WESF shutdown.

### MLLW Treatment

About 7,000 cubic meters of legacy MLLW stored in CWC and ~1,700 cubic meters of newly-generated waste will be treated and disposed of to comply with environmental regulations. The project includes all of the activities required to move the MLLW from CWC, treat the waste, and dispose of it. Also part of the project are all activities required to establish an infrastructure to ensure that newly generated MLLW meets the Waste Isolation Pilot Plant (WIPP) acceptance criteria and is sent for treatment within an average of six months after 3/31/06. The project does not include maintenance and operations of CWC or the Mixed Waste Trench.

### TRU Retrieval

3,040 cubic meters of suspect TRU waste will be retrieved from storage in the 200 Area Low-Level Burial Grounds (LLBG). If it is determined that suspect TRU waste is MLLW, it will be shipped to CWC. The project does not include CWC storage, processing, or disposal of MLLW. Nor does it include maintenance/minimum-safe operations of the LLBG. This project will initiate activities from the Buried TRU Waste Disposition Plan.

### WIPP Certification

1,960 cubic meters of TRU will be certified for shipment to WIPP. This project includes all activities required to increase processing, handling, and certification capabilities and capacities to ensure that TRU waste shipment commitments are achieved. The project does not fund Carlsbad Field Office-provided Acceleration Processing Lines services. It also does not include maintenance/minimum-safe operations of the WRAP complex or the T Plant Complex.

### M-91 Facility Activities

A combination of on-site and off-site treatment capabilities will be utilized for treatment of remote-handled (RH) and large container MLLW. The scope of the project includes treatment of RH-MLLW and contact-handled (CH) MLLW that will be generated in the future, as well as those wastes currently stored on site. As part of this project treatment activities/processes will take place to prepare RH TRU and TRU containers that cannot be processed through WRAP. Large containers of CH and all RH TRU waste will be processed and/or packaged, and stored for shipment to WIPP.

### PBS RL-0080

Rich very briefly reviewed PBS RL-0080. This PBS is for the operation of the Waste Disposal Facility. It includes the min-safe operations of the LLBGs, mixed waste disposal trenches, Environmental Impact Statement (EIS) capacity development, and operational layers for the mixed waste trenches.

### PBS RL-0020 and HQ-SNF-0012X

John stated DOE-RL has minimal control over these two PBSs. RL-0020 is the Safeguards and Security program, which ensures appropriate levels of protection for the Hanford Site facilities. This project will end with the closure of the site. 0012X covers the packaging and storage of Environmental Management (EM) non-legacy Spent Nuclear Fuel (SNF) until 2010 when the geologic repository is scheduled to open. Department of Energy-Headquarters (DOE-HQ) controls the funding and management of this while DOE-RL is responsible for ensuring the work is completed within the budget.

### **Regulator Perspectives**

Melinda Brown, Ecology, stated it would be premature to discuss M-91 plans without first receiving a detailed briefing from DOE. Because of its responsibilities for T Plant, Ecology will have questions regarding the Cs/Sr storage options.

### **Committee Discussion**

- Gerry asked what will happen if plans to use T Plant for M-91 are not acceptable to the regulators. Jim replied that a new facility would have to be built. This decision will be made sometime between 2010 and 2012. The cost difference of a new facility vs. modification of an existing facility is approximately an additional \$100 million. A seismic evaluation will be done next year to see if T Plant can provide the needed capabilities.
- A committee member asked if contingencies are shown in the baseline. Jim replied they are not.
- Gerry asked if WESF will remain wet. Rich stated that this is being re-evaluated due to the potential impact of the M-91 negotiations; there is a meeting next week with the regulators to discuss this change. The Defense Nuclear Facilities Safety Board also has an interest in changes related to the building.
- A committee member asked if this change will have an impact on sludge removal activities. Rich stated it will to a degree because the storage method will change. Also, the schedule may be extended and the sequencing will change. Rich clarified the idea is to separate what can and cannot be remotely handled since WIPP is not currently in a position to accept RH waste. If it is possible to separate the waste, it can be shipped to WIPP now.
- Earl Fordham asked if waste will still be processed at WRAP. John replied there will be accelerated lines and mobile units will be brought in to do remote analysis and x-ray the containers.
- Howard noted the Hanford Performance Management Plan (HPMP) looked at several alternatives and the current baseline was derived from those. He added that changing the baseline now requires a formal process but he expects there will be discipline in the current numbers. A change process may also be required if regulatory issues warrant it.

- A committee member asked if operation of the new Integrated Disposal Facility (IDF) landfill will be in DOE-ORP's budget since it is not in this PBS. Rich replied this is the case because the Environmental Restoration Disposal Facility (ERDF) will meet the majority of DOE-RL's needs and will not be needed for DOE-RL material. ERDF will run through 2024 and then operate again during the 2030 timeframe as the final facilities go through D&D.
- Al Boldt asked if ERDF will replace the functionality of WRAP. John asserted this does not affect WRAP. The facility will be removed because the WIPP program will begin and mobile units will be purchased to do the work right at the trenches.
- A committee member asked what process will be used to close WESF. Rich stated the contractor will need to submit a Baseline Change Request (BCR) in order to begin this process. If the work is affected by the regulatory approach, the regulators would be part of the BCR process.
- Todd Martin asked if there is an objective trigger to determine when someone higher than Keith Klein, DOE-RL Manager, must approve a BCR. Jean Schwier, DOE-RL, replied that DOE Order 413.3 provides triggers for sending items to DOE-HQ. She believes the trigger is in excess of one million dollars for the total life cycle cost of the particular project.
- Melinda Brown asked why there is a large cost differential in 2035. John stated it is for closure/capping of the trenches. Gerry asked Melinda to clarify this, as he thought Ecology was looking at closure prior to 2035. Rich commented the intent is for this to stay open to take waste until the very end of the project. There is a closure deadline for DOE-RL when the Waste Treatment Plant stops running; however, the LLBGs need to be open to take waste until the end of the project. Gerry noted he was referring back to statements in the HSW-EIS, which indicated a new facility would replace the use of the unlined burial grounds. Gerry asked if the IDF will be used for LLW but the LLBGs would continue to be operating under DOE-RL. Rich noted when this baseline was developed, the work had to be planned so DOE-RL could be self-sufficient – DOE-ORP's schedule was unknown.
- Harold Heacock asked if PBS HQ-SNF-0012X includes the River Corridor work. Rich stated it does not.
- Gerry observed that M-91 presumes the existing milestones for remediation of the burial grounds will begin in 2008. However, this seems to differ from the baseline for PBS RL-0080. Rich clarified that the final disposal piece is in PBS RL-0040, which also includes the inactive trenches. The active ones are in PBS RL-0080.

### **Committee Proposal for and Draft Advice on Public Review of Baselines and the Public Budget Process**

A committee workgroup met in December. The question the workgroup discussed was how to create a process that allows for greater public and regulator input into the baseline, and if that should be an annual process with a clear timeframe or a rolling process based on events. The workgroup is proposing that the Tri-Party Agreement

(TPA) should include a specific integrated annual schedule that coincides with the existing review of the near-term budget. At this meeting any proposed changes to the baseline could be discussed and shared. This schedule fits in with the annual spring public meetings and would allow the public to have input into Hanford budget cleanup priorities. It is proposed that those meetings also be used to allow the public an opportunity to review any proposal to change the TPA, and to review and comment on changes to the baseline. At this time, the Board still has not seen the DOE-ORP baseline and there will have been no opportunity to comment before it is finalized.

Gerry reviewed the draft advice he developed regarding public review of baselines and the public budget process. The draft advice proposes the public be provided with a means of looking at and commenting on where the budget dollars are going and when. Baselines are not referred to in the TPA but there are requirements for regulator and stakeholder input on longer-range prioritization.

### **Regulator Perspective**

Melinda stated that EPA and Ecology are looking at the language of paragraphs 148 – 153 in the TPA to consider some of the very issues being discussed here today. Ecology would like stakeholders to submit any changes they feel are important to the language and those comments will be considered. It is important that the language reflect the life-cycle baseline concept because no baseline is ever set in concrete. She noted that the budget process is more controlled now than it has been in the past due to the large sums of money being allocated to the site. She also noted that Ecology is not ready to go forward with a change request at this time but is beginning to look at the language and would welcome comments from the public. It is important that the language be generic so if the management style changes again, it would still be applicable.

Ecology is also proceeding with the idea of holding the State of the Site and the budget meetings together. However, they would like input after this year's meetings to see if people believe this is an acceptable format.

### **Committee Discussion**

- Howard asked why the committee cares about how much money is in the baseline, as the baseline is aligned with the TPA, which was discussed with the public. Gerry asserted that funding for Hanford is driven by broad regional support for the work. What has also driven the funding is the public process, which identified priorities such as groundwater. When these processes take place in isolation, there is no chance for public review. The view of the workgroup is, since there is a process already in place for looking at the near-term, why not use that for discussing significant changes to the long-term baseline? Why wouldn't DOE want the public involved and on board?
- Howard reiterated he believes that, through the TPA, the public has already been involved in setting priorities. Gerry noted, as an example of shifting priorities, that the committee had just been informed that the renegotiation of M-91 would require a

shift of other workscope, a shift the public should have an opportunity to comment on.

- Todd noted that for the past two years, the regulators have sent nasty letters to DOE for not complying with the budget process of the TPA. The way business is occurring at Hanford does not match the process outlined in the TPA.
- Several committee members acknowledged that if these meetings are held more than once a year, it will become a public involvement nightmare. Therefore, the best option they can see is to address this piece once a year in conjunction with the State of the Site meetings. This will give the public an opportunity to express priorities and where they would like the site's money to be allocated. Additionally, because baselines are longer-term propositions, a once-a-year public review should be adequate.
- Harold noted TWC has continued to ask for baseline information and has still not received any. There have been many changes in DOE-ORP's plans in the last year and most of these have been presented as "here is what was decided," rather than as possible alternatives. Howard reiterated he believes the HPMP is what evolved into the baseline and DOE-ORP is working to that. Gerry clarified that, though the HPMP discusses plans to close 40 tanks, those plans have no regulator buy-in. At a previous TWC meeting, DOE-ORP presented a number of tanks to be closed that differed from what was negotiated in the TPA. Gerry again asserted it is important for the public to be able to look at the decisions being made and see what the cost of those are versus a different project.
- A committee member commented that the level of detail of today's presentation is good for a smaller group but not for the general public; however, important issues come out of these presentations, which can be brought to the larger public. By participating in these processes DOE-ORP and DOE-RL help the public build a higher confidence level and this is very valuable for the agencies.
- Howard challenged everyone to take credit for all the good work that has been and is being done, and to acknowledge that the government is providing the necessary resources. He added that the priorities change and not everything on the list can be funded. The department now has flexibility because of the multi-year life cycles, so it is important to move away from the detailed dollar worries and focus on the work that needs to be done. Maynard pointed out the negativism that exists towards DOE is also directed toward the government as a whole. There is no longer discussion with the public about priorities and budgets. It is important that a process is developed which provides some sort of participation for the public as a whole. Maynard added he disagrees with Howard's assertion that the baseline has had public input because it evolved from the HPMP. There was a great deal of frustration because the HPMP did not involve the public.
- Harold commented that there has been a significant change in the direction of cleanup. DOE is not saying they aren't going to do anything but a lot of the frustration of the public comes from DOE not explaining the processes that are occurring.

- Al commented that the Board wants, as DOE should, for the public to understand the available information. The annual meeting needs to provide information the general public can understand. Todd commented that the following items would be helpful if answered on a rough level at the annual meeting: this is what the baseline looked like; here is what was done; here is what happened due to orders from DOE-HQ; and here is where the public's priorities were followed. Todd acknowledged that baseline changes do not necessarily fit well in an annual cycle and the Board needs to be nimble. However, he believes it is important for DOE to meet the Board halfway.
- Jean stated she is concerned this process will result in the micro-management of the department. If this is the situation, there isn't a choice of whether or not to subject the department to criticism for doing their job of reducing risk.
- Todd supported Jean's point: she and others at the site are under pressure from all sides. What is important is that the Board and the public have information to make informed decisions. He reminded everyone that the "borderline paranoia" over funding is because, historically, funding has not been allocated to the site.
- Jean also questioned the Board's need for a separate Budgets and Contracts Committee. She requested that this committee's functions be tied into those of one of the Board's technical committees. She is concerned about the allocation of department resources to so many committees given the constraints placed upon her staff. Her request will be forwarded to the Executive Committee for discussion.

### **River Corridor Contract Update**

Beth Bilson, DOE-RL, reviewed the new River Corridor Contract solicitation, which is now out on the web. She believes the solicitation reaches a new high in terms of readability. Private industry has been asked to comment on the solicitation by the middle of the month. It is important to note that this does not cancel the existing procurement though that option is under discussion.

In the original solicitation, the work was divided into three phases and did not include the 618-10 and 11 burial grounds as well as some other areas. The new solicitation looks at the work as a whole and includes the 618-10 and 11 areas, building removal in the 300 Area, and removal of ancillary facilities in the 400 Area.

In Section C of the solicitation, the team has identified 11 major activities that will need to be completed. Each of these has a clearly defined endpoint. The solicitation looks at the scope, entrance conditions, constraints, requirements, and government-furnished items for each of these activities and is intended to be a holistic look at the work to be done.

### **Regulator Perspectives**

Melinda commented this document was a pleasure to read: it is very clear and readable and lends itself well to evaluation. Melinda stated that Ecology is reviewing the solicitation and will be discussing it with DOE. Their main concern is the missing



groundwater piece. The document says it will be integrated but not how. It is imperative that the holistic view of groundwater at the site is retained whether Fluor is the contractor or there is a new contractor.

### **Committee Discussion**

- Harold commented the newspaper reported the biology lab in the 300 Area will be torn down. Beth replied that DOE-Environmental Management (EM) owns the 300 Area. As EM becomes the minority user there will be an issue, but a commitment has been made to work with Pacific Northwest National Laboratory to determine what their campus will look like in the future. The solicitation supports this process.
- Bob Larson asked if the basic award for the contract is the same as before and if the basis of the award has been changed to avoid protest issues. Beth stated this has generated a lot of discussion but it is still a cost-plus-fee incentive structure.
- Several committee members asked if the scoring or how target costs are referenced will be changed for the independent review. Beth replied that industry comment will help guide those decisions.
- Bob asked who is on the selection committee. Beth responded that Gene Schmidt, Keith Klein, and herself will make up the committee along with one other person. Gene Schmidt is bringing his significant experience with the Rocky Flats contract to the process.
- Bob asked if the solicitation outlines which buildings will be removed. Beth stated that portion is not as clear as it could be. All of the buildings will be removed during this contract. The current timeframe is by 2014 but there is an incentive to push the date to 2012. Melinda noted there is a list in Section C of the facilities to be removed.
- Bob Larson agreed to read the solicitation and provide a briefing to the committee at the next meeting. Beth offered to attend the briefing and answer any questions she can.

### **Handouts**

- Budgets and Contracts Committee Agenda, January 13, 2004
- HQ-SNF-0012X, Department of Energy, January 13, 2004
- PBS RL-0013 – Solid Waste Stabilization and Disposition Life Cycle Cost Profile, Department of Energy, January 13, 2004
- Briefing of the FH Life-Cycle Baseline PBS RL-0013, DOE-RL, January 13, 2004
- Briefing of the FH Life-Cycle Baseline PBS RL-0080, DOE-RL, January 13, 2004
- Draft Advice: Public and Regulator Review and Input to Baselines, Budgets and Contracts Workgroup, December 16, 2003.

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### **Attendees**

#### **HAB Members and Alternates**

Allyn Boldt	Rick Jansons	Ken Niles
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Earl Fordham	Bob Larson	Maynard Plahuta
Harold Heacock	Todd Martin	Gerry Pollet

### **Others**

Beth Bilson, DOE-RL	Melinda Brown, Ecology	Liana Herron, EnviroIssues
Jeff Frey, DOE-RL		Lynn Lefkoff, EnviroIssues
Rich Holten, DOE-RL		James Kelly, FH
Jean Schwier, DOE-RL		John Perkins, FH
Howard Gnann, DOE-ORP		Barb Wise, FH
Greg Jones, DOE-ORP		Sharon Braswell, Nuvotec
Erik Olds, DOE-ORP		Annette Cary, TC-Herald